

Varied Phases of Finance and Business

Maury Rogers & Auchincloss

U. S. Steel

This review sent upon request

Members
N. Y. Cotton Exchange
N. Y. Cotton Exchange
Chicago Board of Trade

25 Broad St.

MERRITT OIL

Increase in capitalization authorized to acquire valuable new properties—New production described—Estimated earnings—Property holdings—Affiliation with MIDWEST REFINING—These and all other essential factors outlined in our latest report to investors.

ELECTRIC STORAGE BATTERY

Conditions surrounding activities of this important Philadelphia enterprise—Improved position and business prospects—Timely news and developments on leading issues, including:

Baldwin Distillers
General Motors
Oklahoma Producing & Refining

Sent gratis on Request for K-349

HUGHES & DIER

Stocks—Bonds—Grain

Members (Phila. Stock Exchange)

50 Broad St., New York

Route 412-420 Tel. Room 1503

Uptown Office—67-69 W. 125th Street

HUGHES & DIER, 50 BROAD ST., N. Y.

You may send me K-349.

Name

Address

City

State

Zip

Post Office

County

Country

Day

Month

Year

Time

Place

Person

Object

Result

Value

Cost

Profit

Loss

Gain

Decline

Stagnation

Recovery

Progress

Setback

Triumph

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Victory

Defeat

Success

Failure

Finance - Economics

The necessities are the only things that people do not want. Jewellers report an amazing increase in the demand for their products. The automobile industry is going ahead with confidence. According to an estimate of "The Iron Age," more than 90 per cent of the business now being done at the steel mills is in sheets for the automobile industry. These are the luxuries of life. But the makers of iron, steel, textiles and all the basic things of earth sit hesitating and idle in fear.

The illuminating monthly letter of the First National Bank of Boston allows itself to overlook something in discussing the labor situation. "While it is true," it says, "that with the return of the men in the service there will be a material increase in the supply of labor as compared with the present volume, it unfortunately is true also that after all have returned there will be a smaller supply of labor than before we entered the war." This is more than doubtful. The bank is thinking of the maimed and the killed. But the actual number of killed is industrially negligible, while the productive power of the wounded is by no means altogether lost. Overshadowing both these factors is the great number of women who entered industry during the war, partly from necessity, partly from the temptation of high wages, partly from patriotism, but who, once having taken work, are loath to give it up. This influx of women may be embarrassing at present. It helps to create or increase the surplus of labor. But ultimately it cannot be otherwise than beneficial. The increase in workers, once it becomes absorbed, as inevitably it will, increases the current wealth output of a nation by just that much, so that there is a greater supply of goods and services for all.

There is a further advantage. Every man, woman and child in the country is a consumer. Only a comparatively few of us are producers. The producer must support not only himself, but dependents. The entrance of women into industry increases the proportion of producers to consumers. If it is important to know what a given wage will be it is just as important to know among how many persons it will be divided. Thus, even if the actual wage level (in terms not of money, but of purchasing power) should go lower than before the war, the per capita wage level may still be higher. Of the two the per capita is the more important; it is that which ultimately determines the prosperity of a country. To take a concrete instance, let us say that a workman who, before the war, had five dependents and received \$30 a week should now get only a comparative purchasing power of \$27.50 a week, but should have only four dependents. His actual wage would be smaller, but as it would be divided among only five persons the per capita wage would be \$5.50, as against \$5 before the war.

A particularly poor time for the mining of copper is a particularly good time for development work. Much of this has been abandoned in the last few years because the companies have been compelled to devote all their energies to current production. A sign that copper producers may turn to this work in the present days of surplus is furnished by the American Smelting and Refining Company's present survey of its Mexican properties with a view to

determining whether the time is ripe for pushing development work on new ore land.

"The whole world is inflated. A great opportunity, therefore, awaits the country which is the first to be able to begin marking down its prices toward peace levels. The world needs us and what we can produce. It needs copper, cotton, steel, machinery and many other things. Some of these it will take at any price, but it will take more if our prices are such as to invite foreign trade." Such is the opinion of A. C. Miller, of the Federal Reserve Board. If this were a country detached, a world by itself, it would make no difference whether the level of prices were the present level or three or four times as high, provided the wages of labor and all other things rose correspondingly. But we have to do business with other nations, and the lower our prices the more we can sell them.

The Dollar in Foreign Exchange

Dealers in foreign exchange last week reported somewhat larger offerings of sterling bills, which indicated a broader export movement of commodities. Changes in rates as a general thing were small and without particular significance.

The foreign exchange manager of one of the largest of the Wall Street banks expressed the opinion at the close of the week that no great increase in foreign exchange business could be looked for until after the peace terms had been definitely settled. Further large credits are expected to be granted to foreign countries by American banking groups. Belgian interests who recently obtained \$50,000,000 here on acceptance credit, are now in the market for a much larger amount. Other similar arrangements will probably be made by other countries in order to obtain credit for the purchase of commodities.

If you calculate the cost of the dollar in terms of foreign money at par value—that is, if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be about as follows:

Cost of one dollar.

Yesterday. Year ago.

In English money ... \$1.02 \$1.02

In French money ... 1.05 1.10

In Dutch money95 .92

In Swiss money94 .85

In Swedish money97 .84

In Russian money ... 3.86 3.86

In Italian money ... 1.23 1.70

In Spanish money96 .79

NEW BEDFORD, Mass., Feb. 21.—

During the last month 35,518 bales of cotton arrived in this city from the South destined for the textile mills, a decrease of 18½ per cent from the receipts of January, 1918, which were 43,642 bales. This marks the beginning of the decline in the movement of cotton, as the figures for the preceding three months were far in excess of those of the corresponding months of the previous year. The receipts of this year are still in excess of the previous season by 42,932 bales.

Figures for the two years are:

1917-18 1918-19

August ... 21,243 26,943

September ... 16,408 15,358

October ... 14,793 38,360

November ... 31,953 38,360

December ... 41,462 58,963

January ... 42,642 33,518

Total ... 169,503 232,168

There are 123,343 bales of cotton in the public warehouses here in addition to large amounts stored in the mill warehouses. The period of congestion in the public storage rooms is now over, and shippers already have arrangements under way to make use of the available space for unsold cotton so that the mill agents may have the opportunity of inspection before purchasing.

"She therefore appealed for savings. The people responded with eagerness, giving in four loans a total of 72,000,000 francs, repayable in 25 years, to say nothing of 1,974,000,000 francs of debentures payable in from ten to five years. Next the manufacturers and merchants were asked to place their funds in national defense and treasury securities. This class now holds term paper to the extent of 32,000,000,000 francs.

"This is an admirable effort, considering that it was made by a nation of 38,000,000 people who had lost their best producers, were being invaded, and saw the enemy 70 kilometres from the capital. Nevertheless, they found seven and a half billion francs to show their passion for freedom and their faith in the future of the nation.

"Yet wealth and good will have limits. France, deprived of her richest factories and robbed of the cream of her agricultural labor, was obliged to go to England for steel, coal and cloth, and to America for munitions, explosives, wheat, meat, etc. To cover these purchases, the British treasury, the Bank of England and the British public bought 13,027,865,000 francs of French treasury bonds. American financiers, while the nation still remained neutral, advanced 2,864,000,000 francs, and the United States government, from the time when it declared war, to the signing of the armistice lent 10,411,000,000 francs. America thus broke the record for advances to France. Even distant Japan contributed 330,000,000 francs. Finally, France procured from neutral Switzerland, Sweden, Norway, Spain and Argentina credits totalling 928,000,000.

From Creditor To Debtor

"Thanks to all this France managed to secure throughout the world the provisions necessary to feed her army and her civilian population. A serious consequence must be noted. The country once called the banker of the world, became the world's debtor. Of her 30,000,000 foreign holdings the majority were Russian, Turkish, Bulgarian and Austro-Hungarian, to-day unproductive,

Pillaged and War-Worn France Wants Only Justice

Economist Tells of Huge Losses and of Need for Indemnities to Enable His Country to Recover From the Devastation Wrought by the Hun

NEW YORK TRIBUNE Special Cable Service

PARIS, Feb. 22.—The Tribune has secured from Frances Delaisi, a brilliant French writer on economic and financial questions, an authoritative series of articles on the situation today. The first of these shows the terrible cost of the war. Others, to follow later, deal with the economic and industrial situation. M. Delaisi says: "We are demobilizing. After the undiluted joy of victory, with the provinces liberated and Alsace-Lorraine recovered, the soldier takes off the horizon blue and assumes with his old civilian clothes his old occupations and preoccupations.

"France must live. She is now drawing up accounts, calculating losses, making an inventory of her resources and planning her future. It must be said that the present is far from gay. One million, six hundred thousand dead, 65,000,000 francs of property destroyed and pillaged in the occupied regions, 153,000,000 francs war debt—that's the situation. Not many weeks ago the French government estimated 250,000,000 francs as the sum to be repaid by the enemy, not wanting some to believe that France counts on the lion's share of the booty. We know that Germany cannot repair all the losses caused by her foolish pride. Yet people abroad understand but imperfectly the tragic situation of France because to her fell the perils of the world's liberties for four years.

France Needs U. S. Sympathy
"No matter what might be accorded to us we could not profit from victory—we only ask that which we need in order to live again. More than all else we need the sympathy and help of America. That is why we wish our American friends to know exactly how we stand, how enormous is the weight we bear and how feeble are our resources. We also wish them to know the latent strength of our industry and commerce, so that efforts can be made to bring back our former prosperity.

"In August, 1914, the financial position of France was admirable. Of all the countries of the world she had the greatest wealth per person. Savings were plentiful, easily converted, and in the hands of folk accustomed to subscribe to national funds. She had 30,000,000,000 francs invested abroad, available for purchases. Her credit seemed inexhaustible, and indeed is considered one of the principal factors of victory. When hostilities opened the French treasury placed its resources generously at the disposal of the poorer Allies in the shape of war materials and specie. We advanced to the Russians, Belgians, Italians and Rumanians a total of 6,210,000,000 francs, of which 4,600,000,000 went to Russia alone. The war, which we hoped would be short, underwent a transformation. For four years France had the appearance of a city besieged and partly invaded. There followed a positive debauch of munitions, war material and provisions. France could not meet her expenses by taxation, for 5,000,000 men, a third of her active productive population, were made unproductive by the war.

"She therefore appealed for savings. The people responded with eagerness, giving in four loans a total of 72,000,000 francs, repayable in 25 years, to say nothing of 1,974,000,000 francs of debentures payable in from ten to five years. Next the manufacturers and merchants were asked to place their funds in national defense and treasury securities. This class now holds term paper to the extent of 32,000,000,000 francs.

"This is an admirable effort, considering that it was made by a nation of 38,000,000 people who had lost their best producers, were being invaded, and saw the enemy 70 kilometres from the capital. Nevertheless, they found seven and a half billion francs to show their passion for freedom and their faith in the future of the nation.

"Yet wealth and good will have limits. France, deprived of her richest factories and robbed of the cream of her agricultural labor, was obliged to go to England for steel, coal and cloth, and to America for munitions, explosives, wheat, meat, etc. To cover these purchases, the British treasury, the Bank of England and the British public bought 13,027,865,000 francs of French treasury bonds. American financiers, while the nation still remained neutral, advanced 2,864,000,000 francs, and the United States government, from the time when it declared war, to the signing of the armistice lent 10,411,000,000 francs. America thus broke the record for advances to France. Even distant Japan contributed 330,000,000 francs. Finally, France procured from neutral Switzerland, Sweden, Norway, Spain and Argentina credits totalling 928,000,000.

From Creditor To Debtor
"Thanks to all this France managed to secure throughout the world the provisions necessary to feed her army and her civilian population. A serious consequence must be noted. The country once called the banker of the world, became the world's debtor. Of her 30,000,000 foreign holdings the majority were Russian, Turkish, Bulgarian and Austro-Hungarian, to-day unproductive,

ment of interest on certain loans, it is unable to bring the figures for expenditure in 1919 below 18,000,000,000 francs. M. Ribot says that the total income of the French people is 40,000,000,000 francs. Thus it is necessary for the state to demand half the resources of its citizens. Of course, it is impossible to go as far as that. The government thus far seems on the road to obtaining 9,000,000,000 francs, and M. Ribot thinks it is possible to get 11,000,000,000 francs. That is a large figure for a nation that has just lost 1,600,000 of its best producers and had six departments invaded—departments which produced alone one-seventh of the total treasury receipts. Thus, whatever happens, six or eight billions are lacking this year.

Waiting Anxiously Conference Decision
"Do you understand, now, the anxious impatience with which the whole nation has awaited the decision of the Paris conference in regard to the war indemnities payable by Germany? To be sure, we know that the enemy cannot give back all the war made us lose. She herself is much exhausted, and other nations have just claims.

"Our insistence is not that of a victor exacting a large share of booty, but of a nation unjustly and cruelly harmed asking for reparation that will allow it to recover. Our demands are not born of the love of money. We know American soldiers were sometimes shocked by the excessive prices asked by greedy peasants. But let them compare the dollars they have lost with the sacrifice these same people have borne so heroically. To understand is to pardon," says our old proverb. "We need not only American indulgence, but also American sympathy. France must look in the future to American capital, as in the past America looked to French credit. The industry of our soil, the industry of our families and our economy, stimulated by war habits, are proverbial.

"I hope to show in future articles that the industrial and economic resources of France justify our American friends in continuing the confraternity of arms in the form of business collaboration." (Note: Figures given in the above article are for the state of the signing of the armistice.—Editor.)

Army Life Aid in Business

Manufacturer Finds Discharged Soldiers Work Better

A prominent sweater manufacturer has found that army life and discipline have rendered some of his workmen more efficient. He has noticed the improvement in their work since their discharge from the army and the removal of their old places in his factory.

His experience is being made public through the Sweater and Knitted Goods Manufacturers' Association. The board of directors of this organization has adopted the following resolution:

"That it be recommended to this association and to the industry throughout the country that every effort should be made to employ knitters and others who have been in the service of the United States, thus benefiting themselves and improving the labor efficiency of the industry."

Tribune Tax Service

"Uncle Sam Still Has a Big Job Ahead; Help Him by Paying Your Income Tax Promptly"

THE Federal revenue law, under which 1918 income is taxed, is in some respects a highly technical document, and it will be further complicated by rulings and interpretations of the Treasury Department. The taxpayer may find it hard to answer such questions as how much tax must be paid, how to pay the tax, how to fill in the forms on which returns must be made, to what extent, if any, an income is exempt from the levy, etc. The corporation may find it equally difficult to solve problems connected with the income, war and excess profits taxes.

The Tribune has therefore provided this Tax Service Department. Through the courtesy of the Guaranty Trust Company of New York, Morris F. Frey, Tax Consultant of that institution and a leading authority on the subject, will answer questions submitted to him through this department relating to individual, corporation or partnership income taxes, or about war profits and excess profits taxes.

You may, therefore, tell your tax troubles to The Tribune with the assurance that they will receive expert consideration. Those questions which are of general interest will be answered in this column. Names will not be used. All other questions will be answered by mail. All communications will be regarded as highly confidential.

You will favor us and expedite the reply if you will please observe these requests: State your questions as concisely as possible, but be sure that no essential information is withheld. Write on one side of paper only. Enclose stamped addressed envelope for reply in case questions are not answered in the column.

Address all correspondence to Tax Service Department, Tribune Business News Bureau, 151 Nassau Street, New York City.

Question: An individual has income from salary \$4,000 and a share of profits in partnership \$5,000. Total \$9,000. He owns a house which he uses exclusively as his residence, but he pays interest on a mortgage \$800. Property taxes \$200. Repairs \$200. Total \$1,200. Is this total a proper deduction from the \$9,000?

The firm of which he is a member paid an excess profits tax of \$600 in June, 1918, on profits of 1917. His share is one-third. If such tax is not a proper deduction from income the item of \$9,000 would be increased to \$9,600. The same individual also lost through

Question: Will you please let me know the rating as it applies to tax-exempt investments? I am a resident of New York City and am employed in Connecticut. I was appointed by the Director of State Relations Service, U. S. Department of Agriculture, and am under the jurisdiction of the United States State Director of Extension Service in Agriculture, my salary coming from Washington.

Answer: You are an employee of the Federal Government, and your income is in excess of your personal exemption it will be necessary for you to file a return and pay income tax.

How Deep Will The Income Tax Cut Into Your Bank Account?

THE date for filing your Income Tax report is only a few weeks away. The new Revenue Bill includes new provisions and amendments that change the entire basis of figuring. Do you know just how you and your business are going to be affected by these changes?

Are you clear on "Invested Capital," "Good Will," "Trademarks," "Depreciation," "Cancelled Contracts," "Allowable Deductions," and all the various other points which will determine the amount you must pay?

With the tax ranging as high as 65%, a mistake will be costly. Why take chances? Here is a handy book that will quickly tell you just where you stand—it straightens out all the kinks and tangles, clears up all the perplexing points, answers every question. And offered on approval—not a penny to pay until you have examined the book from cover to cover, and then only if you are satisfied.

Every Question Answered In This Handy Tax Manual

5 Days' Free Examination (Ready for Delivery Tuesday, Feb. 25th)

Send No Money—Nothing But The Coupon

LAST year the Income Tax had a good many business men puzzled clear up to the last minute; and it left a good many firms with dangerously depleted bank balances—seriously crippled for lack of working funds.

This year—because of the new provisions—the Income and Profits Taxes are in many of their phases more perplexing than ever. And also more of a strain on the bank account. Under the new Revenue Bill—on the same net income or net profits as last year—your taxes may be from two to five times more than you paid last March.

The question of how much money must be taken out of your business and turned over to the government is one that vitally affects all your plans for the year. The amount of accommodation needed from your bank, your plans for expansion, additions to your factory, all may be involved. With the effects of the tax so far-reaching, no firm or individual can afford to take chances on going wrong.

Getting a clear understanding of just how deep the Income Tax is going to bear into your business can now be turned into a very simple matter. No need to pay out a big fee for expert advice.

Prepared by Mr. Edward J. Fath
Formerly in Charge of Income Tax Collections For The Second District of N. Y.—Wall Street Zone

The 1919 edition of the Standard Manual of the Income Tax has been prepared under the personal direction of Mr. Edward J. Fath, for years in charge of the Administration of Income Taxes for the United States Government for the Second District of New York.

No Other Man So Well Qualified
The Second District includes the Wall Street zone, with the largest and probably the most complex collections of any district in the country.